



A Guide to CalPERS

# When You Change Retirement Systems



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## INTRODUCTION

### When You Change Retirement Systems

This publication provides information on the rights and benefits afforded CalPERS members in conjunction with certain other public retirement systems in California.

Please note that CalPERS authority extends only to applying and implementing the California Public Employees' Retirement Law; it does not extend to laws and regulations under which other public retirement systems are administered.

Questions relating to rights, benefits, and obligations under any of the other public retirement systems should be addressed directly to the appropriate system.

Reciprocity is a complex subject. If you have questions while reading this publication, please call the CalPERS Customer Contact Center toll free at **888 CalPERS** (or 888-225-7377).

## Reciprocity

As a member of the California Public Employees' Retirement System (CalPERS) you may be eligible for the benefits of reciprocity. Reciprocity is an agreement among public retirement systems to allow members to move from one public employer to another public employer within a specific time limit without losing some valuable retirement and related benefit rights.

There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You become a member of both systems and are subject to the membership and benefit obligations and rights of each system (for example, minimum retirement age), except as modified by the reciprocity agreement. You must apply to retire from each system separately, and you will receive separate retirement allowances from each system. You must retire on the same date from each public retirement system participating in a reciprocal agreement for all benefits of reciprocity to apply.

If you are establishing reciprocity by redepositing formerly withdrawn CalPERS contributions, your retirement date can be no earlier than the day following CalPERS receipt of your request to purchase this service.

This publication explains benefits arising from movement to a reciprocal retirement system. It also includes a list of reciprocal agencies including the public retirement systems that have established reciprocity with CalPERS by contract. Note: Even if you do not qualify for the full benefits of reciprocity, certain benefits may still be available to you from CalPERS. See page 9 for more information.

In addition, although there is no reciprocity established between CalPERS and the State Teachers' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, or the Legislators' Retirement System, an agreement with those systems provides similar benefits, which are explained on page 10.

## PUBLIC RETIREMENT SYSTEMS WITH RECIPROCITY

### County Systems

Counties that maintain retirement systems under the County Employees' Retirement Law of 1937:

Alameda	Sacramento
Contra Costa	San Bernardino
Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Mendocino	Stanislaus
Merced	Tulare
Orange	Ventura

### Independent Public Agency Retirement Systems

Public agencies maintaining their own retirement systems that have contracted with CalPERS to provide the benefits of reciprocity and the dates the reciprocal agreements were established:

California Administrative Services Authority (7/1/00)

\*City of Concord (11/27/70)

\*City of Costa Mesa (safety employees only) (4/1/78)

City of Fresno (misc. and safety retirement systems) (2/18/02)

City of Oakland (non-safety employees only) (4/1/71)

City of Pasadena (fire and police retirement) (5/4/01)

\*City of Sacramento (11/4/74)

\*City of San Clemente (non-safety employees only) (1/1/85)

City of San Diego (6/25/92)

\*City & County of San Francisco (7/29/88)

City of San Jose (misc. 12/9/94; safety 9/30/94)

Contra Costa Water District (3/2/88)

County of San Luis Obispo (4/19/84)

East Bay Municipal Utility District (4/16/84)

East Bay Regional Park District (safety employees only) (7/1/96)

Long Beach Schools Business Management Authority (7/1/98)

Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees' Retirement Income Plan, formerly Southern California Rapid Transit District (5/12/71)

City of Los Angeles (7/14/97)

*\* These entities are now CalPERS-covered employers. If you earned service credit in these systems prior to their CalPERS contract, you may be eligible for reciprocity for that earlier service credit.*

## UCRP

The University of California Retirement Plan (UCRP) (10/1/63)

## RECIPROCITY REQUIREMENTS

When changing retirement systems, you must satisfy certain statutory conditions in order to receive the full benefits of reciprocity:

- You must continue membership in the first retirement system by leaving your service credit and contributions (if any) on deposit (or by later re-depositing contributions you have withdrawn); and
- You must enter employment that leads to membership in the new system within six months of leaving CalPERS employment\*; and
- You must retire on the same date under both systems by submitting a retirement application to each system respectively.
- Certain exceptions may exist if you are employed under an independent public agency retirement system before the effective date of that system's reciprocal agreement with CalPERS.

*\* Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. Current CalPERS law requires movement within six months.*



## Important Restrictions

### Concurrent Employment

Reciprocity **does not apply** when your employment under the first retirement system overlaps your employment under the new system. **For the benefits of reciprocity to apply, you must be separated under the first system prior to joining the new system.** This may be true even if the overlapping time is due to running out leave credits. You should check with your current system and new system about their rules **before** you change employment. If you are concurrently employed we will use your highest rate of pay under CalPERS when computing your retirement allowance.

### Refund Restriction

Some retirement systems may not allow you to withdraw your member contributions while you are employed in a position covered by a reciprocal retirement system or CalSTRS, JRS, JRS II, LRS or UCRP. See Benefits for Non-Qualifying Individuals on page 9.)

### New State Employees

State miscellaneous or industrial employees hired for the first time on or after August 11, 2004, are placed in the Alternate Retirement Program (ARP) administered by the Savings Plus Program in the Department of Personnel Administration. You are excluded from ARP if you were a member of a CalPERS reciprocal retirement system within six months of establishing membership with CalPERS, or are a member of the Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, California State Teachers' Retirement System, or the University of California Retirement Plan.

### Reinstatement From Retirement

Please note if in the future you reinstate to active employment in a CalPERS covered position and have retired under reciprocity, there is no provision in the law to allow you to apply reciprocal rights to your subsequent retirement since you will no longer be retired from both systems on the same date.

## RECIPROCITY BENEFITS & REQUIREMENTS

The following benefits and requirements apply to CalPERS members who make a qualified move between reciprocal retirement systems.

### Exception

If you retire on a service retirement from another system before you have met the CalPERS minimum retirement age, you can later retire under CalPERS, and we will still use your highest rate of pay under any of the systems.

### Member Contribution Rate Based on Age at Entry

Retirement formulas for CalPERS miscellaneous members and most safety members are based on a fixed rate of contribution and are not affected by age at entry. However, other systems may use age at entry for their contribution rate. Check with the appropriate system for information.

### Highest Final Compensation

CalPERS will compute your final compensation based on the highest rate of pay under any system, as long as you retire on the same date from all systems. Some systems use 12-month highest final compensation; others use 36-month highest final compensation. If you are a local member of CalPERS first elected or appointed to a city council or county board of supervisors on or after July 1, 1994, your final compensation is based on the highest annual average compensation earnable during the period of State service in each elective or appointed office. Other system salaries cannot be used.

### Qualification for Benefits

Service earned under both systems may be used to meet each system's vesting and retirement eligibility requirements.

### Disability Retirement

If you are eligible for disability retirement from your other system (or disability income from the University of California Retirement Plan), you may also be entitled to CalPERS disability retirement benefits, if you retire from both systems on the same date. CalPERS will pay an amount that does not exceed the difference between what you are going to receive from the other system and what you would receive if all your CalPERS service were also credited with that system. **(If this calculation does not increase your allowance, we will pay an annuity that is the actuarial equivalent of your CalPERS contributions.)**

If you retire from your other system because of a work-related disability, CalPERS will pay an annuity that is the actuarial equivalent of your CalPERS contributions. If you meet the CalPERS minimum age requirements, you may find it to your advantage to take service retirement from CalPERS and still take disability retirement from your other system.

### Pre-Retirement Death Benefits

If you die prior to retiring while you are employed as a member of another system, a lump-sum Basic Death Benefit consisting of a return of your CalPERS retirement contributions will be payable to your beneficiary. An additional lump-sum "employer's share" may be payable. However, the total paid by both systems cannot exceed the maximum lump-sum benefit allowable if all service had been under the other system. If you were a safety member of CalPERS and your death is job related, the monthly Special Death Benefit allowance may be payable to a qualifying survivor.

## BENEFITS FOR NON-QUALIFYING INDIVIDUALS

Even if you do not qualify for full reciprocity, CalPERS offers you redeposit rights, vesting, and University of California Retirement Plan final compensation. In addition, if your employer established a reciprocal agreement with CalPERS after you changed membership, and you would have been eligible for reciprocity had an agreement been in effect at the time of your membership change, your retirement allowance will still be based on the highest final compensation under either system (see page 8), as long as you retire on the **same date** under both systems.

### Redeposit Rights

If you withdrew your CalPERS contributions and interest and later joined a reciprocal retirement system, you can re-establish CalPERS service credit and membership by making a redeposit. If you are establishing reciprocity by redepositing formerly withdrawn CalPERS contributions, your retirement date can be no earlier than the day following CalPERS receipt of your request to purchase this service.

### Refund Restriction

You may not withdraw your CalPERS contributions once you have entered employment covered by the University of California Retirement Plan or if, within six months of leaving State service, you entered employment covered by a system under the County Employees' Retirement Law of 1937 or covered by certain **other** public agency retirement systems.

### Vesting

If you are a CalPERS member who is also a member of a reciprocal retirement system, you are eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but you must still meet the minimum age requirement).

### University of California Retirement Plan Final Compensation

The average pay rate during any 12-month or 36-month period of employment with the University of California will be used for computing final compensation, if you retire from both systems on the **same date**.

### Important

If you die after reaching age 50, there is no monthly pre-retirement death benefit allowance payable to your surviving spouse or registered domestic partner as there is for CalPERS members who are working for a CalPERS-covered employer at the time of death. Therefore, if you become ill and wish to leave a monthly death benefit to anyone, you **must retire** from CalPERS and choose an option that provides a post-retirement monthly death benefit. In this situation, it is advisable to retire from both systems concurrently.

## NON-RECIPROCAL PUBLIC RETIREMENT SYSTEM BENEFITS & REQUIREMENTS

There is no formal reciprocity agreement established between CalPERS and the following systems:

- State Teachers' Retirement System (STRS);
- Legislators' Retirement System (LRS);
- Judges' Retirement System (JRS);
- Judges' Retirement System II (JRS II).

However, the following benefits and requirements apply to CalPERS members who enter employment with these systems and retire on the same date under both systems.

### **Final Compensation**

CalPERS will compute your final compensation based on your highest rate of pay under STRS, JRS, JRS II, LRS, or CalPERS during any consecutive 12-month or 36-month period of service, as long as you retire on the same date under both systems. (If you became an elective or appointed officer on or after July 1, 1994, we will use your highest rate of pay under CalPERS.)

### **Redeposit Rights**

If you withdrew your CalPERS contributions and interest prior to your employment with (and membership in) STRS, JRS, JRS II, or LRS, you have the right to redeposit your CalPERS contributions in order to re-establish CalPERS service credit and membership. If you are establishing reciprocity by redepositing formerly withdrawn CalPERS contributions, your retirement date can be no earlier than the day following CalPERS receipt of your request to purchase this service.

### **Refund Restriction**

You may not withdraw your CalPERS contributions once you have entered employment with STRS, JRS, JRS II, or LRS.

### **Vesting**

A CalPERS member who is a member of STRS, JRS, JRS II, or LRS is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but must still meet the minimum age requirement).

### **Disability Retirement**

There is no provision for CalPERS disability retirement when you are eligible for a disability benefit from STRS, JRS, JRS II, or LRS. You must instead take a CalPERS service retirement on the same date you take disability retirement from the other system in order for the provisions of final compensation to apply. (If you retire on a disability retirement from the other system before you have met the CalPERS minimum service retirement age, you can later retire under CalPERS. We will use your highest CalPERS pay rate to determine your final compensation amount.) If you will be receiving a disability allowance from STRS, you can take a service retirement from CalPERS at the same time (if you meet the minimum retirement age) or at age 60, when the disability allowance under STRS is changed to a service retirement. Either way, you are considered to have retired on the same date under both systems, and CalPERS will compute your final compensation based on your highest rate of pay under either system.



# Election to Coordinate Retirement When Changing Retirement Systems

888 CalPERS (or 888-225-7377) • TTY for Speech and Hearing Impaired: (916) 795-3240

## Section 1

Please complete and return  
to CalPERS with a copy  
sent to your new  
retirement system.

## Member Information

Name of Member (First Name, Middle Initial, Last Name)		Social Security Number
Birthdate (mm/dd/yyyy)	Daytime Phone	Evening Phone
Address		
City	State	ZIP

## Section 2

## Retirement System You Are Leaving

Name of Retirement System	Date of Separation (mm/dd/yyyy)
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## Section 3

## Retirement System You Are Entering

Name of Retirement System	Date of Entry (mm/dd/yyyy)
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## Section 4

## Member Signature

I understand that by accepting employment in a specific retirement system, I am subject to the laws and regulations administered by that system. I understand that in order to retain the benefits of reciprocity, my contributions may not be withdrawn while I am in employment as a member of JRS, JRS II, LRS, CalSTRS, UCRP, or while I am in employment entered within six months of a system covered under the County Employees' Retirement Law of 1937 or a public agency retirement system listed in this publication. Furthermore, this information may be shared with the other retirement system.

Upon signing and returning this document, I am electing to establish reciprocity rights between retirement systems, where applicable.

Signature	Date (mm/dd/yyyy)
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Mail to:

CalPERS Member Services Division • P.O. Box 942704, Sacramento, California 94229-2704



## WHEN YOU CHANGE RETIREMENT SYSTEMS

When you become a member of a reciprocal or non-reciprocal public retirement system you can notify CalPERS by one of the following methods:

- Complete the *Election to Coordinate Retirement When Changing Retirement Systems* form in this publication; or
- Complete one of the forms in the *CalPERS Refund Election Package* (public agency or school employees) or the separation document (State employees) when separating from CalPERS-covered employment.

### **JRS, JRS II, and LRS Members**

Contact the Judges' or Legislators' Retirement System directly when you become a member of a reciprocal or non-reciprocal public retirement system:

Judges' & Legislators' Retirement Systems

P.O. Box 942705

Sacramento, CA 94229-2705

(916) 795-3688

(916) 795-1500 — FAX

### **Long-Term Care Program Members**

If you are enrolled in the CalPERS Long-Term Care Program and have premiums deducted from your check, call the program's Customer Service Center at (800) 982-1775 to find out what steps you need to take to continue your premiums after retirement.

## BECOME A MORE INFORMED MEMBER

### CalPERS On-Line

Visit our Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) for more information on all your benefits and programs.

### Reaching Us By Phone

Call us toll-free at **888 CalPERS** (or 888-225-7377).

Monday to Friday, 8:00 a.m. to 5:00 p.m.

TTY: For Speech & Hearing Impaired (916) 795-3240

### my|CalPERS

Doing business with CalPERS is easier than ever with my|CalPERS, our personalized, secure Web site, that provides you all your retirement, health, and financial information in one place...with just a click of your mouse.

With my|CalPERS, you can:

- Get quick and easy access to all of your account information.
- Keep informed with CalPERS News.
- Learn more about CalPERS products and services that are best suited for you in your career stage.
- Access information about health plans available in your area and get all the information you need to make health plan decisions.
- Update your contact information and online account profile.
- View, print, and save online statements.
- Check statuses of requests to purchase Service Credit or applications for Disability Retirement.
- Use planning tools to calculate your retirement estimate, estimate your service credit cost, and request a staff-prepared retirement estimate.
- Access financial planning tools to help you create a forecast for your future.

Log in today at <http://my.calpers.ca.gov>.

### CalPERS Education Center

The CalPERS Education Center offers you quick access to all of the classes and instruction you need to be prepared and informed while making important decisions about your CalPERS benefits and your future. Take advantage of the convenience of anytime, anywhere access to our educational resources. Be empowered with all the necessary and important information you need today.

It's easy to get started. Access the CalPERS Education Center from CalPERS On-Line directly from our home page at [www.calpers.ca.gov](http://www.calpers.ca.gov). Retirement planning classes are available, whether you are in the early stages of your career, just starting to plan your retirement, or getting ready to retire.



## **Visit Your Nearest CalPERS Regional Office**

**Visit the CalPERS Web site for directions to your local office.**

Monday to Friday, 8:00 a.m. to 5:00 p.m.

### **Fresno Regional Office**

10 River Park Place East, Suite 230

Fresno, CA 93720

### **Glendale Regional Office**

Glendale Plaza

655 North Central Avenue, Suite 1400

Glendale, CA 91203

### **Orange Regional Office**

500 North State College Boulevard, Suite 750

Orange, CA 92868

### **Sacramento Regional Office**

Lincoln Plaza East

400 Q Street, Room E1820

Sacramento, CA 95811

### **San Bernardino Regional Office**

650 East Hospitality Lane, Suite 330

San Bernardino, CA 92408

### **San Diego Regional Office**

7676 Hazard Center Drive, Suite 350

San Diego, CA 92108

### **San Jose Regional Office**

181 Metro Drive, Suite 520

San Jose, CA 95110

### **Walnut Creek Regional Office**

1340 Treat Blvd., Suite 200

Walnut Creek, CA 94597

## INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the California Public Employees' Retirement System to provide the following information to individuals who are asked to supply information. The information requested is collected pursuant to the Government Code (Sections 20000, et seq.) and will be used for administration of the CalPERS Board's duties under the California Public Employees' Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to supply the information may result in the System being unable to perform its function regarding your status and eligibility for benefits. Portions of this information may be transferred to State and public agency employers, State Attorney General, Office of the State Controller, Teale Data Center, Franchise Tax Board, Internal Revenue Service, Workers' Compensation Appeals Board, State Compensation Insurance Fund, County District Attorneys, Social Security Administration, beneficiaries of deceased members, physicians, insurance carriers, and various vendors who prepare the microfiche or microfilm for CalPERS. Disclosure to the aforementioned entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership file maintained by the System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, CalPERS, 400 Q Street, P.O. Box 942702, Sacramento, CA 94229-2702.

*While reading this material, remember that we are governed by the Public Employees' Retirement Law and the Alternate Retirement Program provisions in the Government Code, together referred to as the Retirement Law. The statements in this publication are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this publication, any decisions will be based on the law and not this publication. If you have a question that is not answered by this general description, you may make a written request for advice regarding your specific situation directly to CalPERS.*





**California Public Employees' Retirement System**

400 Q Street  
P.O. Box 942701  
Sacramento, CA 94229-2701

**888 CalPERS (or 888-225-7377)**  
**[www.calpers.ca.gov](http://www.calpers.ca.gov)**

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